

**INTERAGENCY AGREEMENT**  
BETWEEN  
THE ARIZONA DEPARTMENT OF TRANSPORTATION  
AND  
THE ARIZONA BOARD OF REGENTS, UNIVERSITY OF ARIZONA

THIS AGREEMENT is entered into 24 January, 2002, between agencies of the State of Arizona, to wit; the ARIZONA DEPARTMENT OF TRANSPORTATION (the "DOT") and the ARIZONA BOARD OF REGENTS, acting for and on behalf of UNIVERSITY OF ARIZONA, (the "University").

**I. RECITALS**

1. The DOT is empowered by Arizona Revised Statutes Section 28-401 and 28-334 to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has delegated to the undersigned the authority to execute this agreement on behalf of the DOT.

2. The University is empowered by Arizona Revised Statutes Section 15-1626 to enter into this agreement and has delegated to the undersigned authority to execute this agreement on behalf of the University.

3. The DOT and the University desire to support the activities of the Southwest Border Technology Program, (SWBTP) (which is a program established for the identification, evaluation and implementation of technologies to expedite cross-border commercial transactions and support the interception of contraband), to administer the Arizona CyberPort Project Study. The DOT will facilitate the acquisition of federal funds in a total amount not to exceed \$525,000.00 on behalf of the University for the program. This agreement is to define the terms of the transfer of funds from the State to the University and the expenditure thereof.

4. The only interest of the State in the program, is in the acquisition of federal funds for the use and benefit of the University by reason of federal law and regulations under which funds for the program are authorized to be expended.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

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## **II. SCOPE OF WORK**

### **1. The DOT will:**

a. Appoint a Project coordinator to interface with the University relating to the Arizona CyberPort Study.

b. Reimburse the University with federal funds, on an actual cost basis, upon receipt of supporting documentation of match requirement, in a total amount not to exceed \$525,000.00, which may include in-kind staff or volunteer time. It is understood, match cannot be met with other federal funds. A payment report cover sheet is provided to the University (available electronically), when submitting pay requests. The DOT Project Manager, reserves the right to withhold payment of invoiced bills, if, in his judgment, the Project progress does not match the amount billed and, if the products developed as a part of the Project do not meet DOT quality standards.

### **2. The University will:**

a. Appoint a Project coordinator to interface with the DOT relating to the Arizona CyberPort Study.

b. Be responsible for \$125,000.00 in match requirement, which may include in-kind staff or volunteer time. It is understood and agreed, match cannot be met with other federal funds.

c. Accomplish the work generally in accordance with Exhibit A and B, which are attached hereto and made a part hereof. Provide the DOT monthly, quarterly and final project reports and other deliverables and timelines, as are defined in Exhibit A and B. Such reports will be accompanied by a summary of expenditures and will be in a format compliant with the DOT's Format for Research reports.

d. No more often than monthly, invoice the DOT (using the State's provided cover sheet) for actual costs, which will include all supporting documentation of match requirement, in a total amount not to exceed \$525,000.00.

## **III. MISCELLANEOUS PROVISIONS**

1. It is understood that neither party to this agreement agrees to indemnify the other party or hold harmless the other party from liability hereunder.

2. This agreement shall become effective upon execution by the parties hereto and shall remain in force and effect until completion of Arizona CyberPort Study and reimbursements; provided, however, that this agreement, may be cancelled at any time prior to the commencement of performance under this agreement, upon thirty (30) days written notice to the other party.

3. Title to all documents, reports and other deliverables prepared by the University in performance of this agreement shall rest jointly with the federal government, the DOT and the University. In addition, the parties shall agree to the following:

- No information (data, findings or recommendations) shall be released without the express written consent of the DOT, and require the same of any contractor(s).
- Project confidentiality will be maintained throughout the Project.
- The final report, a public document, will be released no more than sixty days after its acceptance and approval by the Steering Committee, upon written consent of the DOT.

- The preliminary data collected as a part of this Project, shall not be made available to the public on the grounds that it would jeopardize competitiveness under the Procurement Code.

4. The parties agree to comply with all applicable state and federal laws, rules, regulations and executive orders governing procurement, equal employment opportunity, immigration, nondiscrimination and affirmative action.

5. This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511.

6. The provisions of Arizona Revised Statutes Section 35-214 are applicable to this contract.

7. In the event of any controversy which may arise out of this agreement, the parties hereto agree to abide by required arbitration as is set forth for public works contracts in Arizona Revised Statutes Section 12-1518.

8. All notices or demands upon any party to this agreement relating to the agreement shall be in writing and shall be delivered in person or sent by mail addressed as follows:

Arizona Department of Transportation  
Joint Project Administration  
205 S. 17th Avenue - 616E  
Phoenix, AZ 85007

Arizona Department of Transportation  
Transportation Planning Division  
206 South 17 Avenue, Mail Drop 300B  
Phoenix, AZ 85007

*Technical:*

University of Arizona  
Assoc. VP for Economic Development  
9040 S. Rita Road, Suite 1400  
Tucson, AZ 85747

*Administrative:*

University of Arizona  
Sponsored Projects Services  
PO Box 3308  
Tucson, AZ 85722-3308

9. The parties recognize that performance by the University under this Agreement may be dependent upon the appropriation of funds by others. Should the other participants at any time fail to assign the necessary funds for such performance, the DOT or the University may cancel this agreement.

10. Should the work contemplated under this agreement be completed at a lower cost than the reimbursed amount, or for any other reason should any of these funds not be expended, a proportionate amount of the funds provided shall be reimbursed to the DOT.

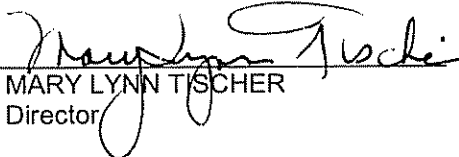
IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

STATE OF ARIZONA

THE ARIZONA BOARD OF REGENTS  
acting for and on behalf of  
THE UNIVERSITY OF ARIZONA

DEPARTMENT OF TRANSPORTATION  
Transportation Planning Division

By   
LEE ANNE T. PETERS  
Contract Officer

By   
MARY LYNN TISCHER  
Director


1/24/02  
(date)

1/24/02  
(date)

RESOLUTION

BE IT RESOLVED on this 28<sup>th</sup> day of November, 2001, that I, the undersigned VICTOR M. MENDEZ, as Director of the ARIZONA DEPARTMENT OF TRANSPORTATION, have determined that it is in the best interests of the STATE OF ARIZONA that the DEPARTMENT OF TRANSPORTATION, acting by and through the TRANSPORTATION PLANNING DIVISION, to enter into an agreement with the UNIVERSITY OF ARIZONA, for the purpose of defining responsibilities for the acquisition of federal funds, for the support activities of the Southwest Border Technology Program, (SWBTP), (which is a program established for the identification, evaluation and implementation of technologies to expedite cross-border commercial transactions and support the interception of contraband), to administer the Arizona CyberPort Project Study.

Therefore, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted to the Director of Transportation Planning Division, for approval and execution.

  
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MARY LYNN TISCHER, Director  
Transportation Planning Division  
for VICTOR M. MENDEZ, Director

# **SOUTHWEST BORDER TECHNOLOGY PROGRAM NOGALES CYBERPORT PROJECT**

## ***Exhibit A – Project Scope of Work***

This proposal is to support the activities of the Southwest Border Technology Program (SWBTP) to administer the *Nogales CyberPort Project*. The 12-month study effort is scheduled for fiscal years 2001/2002 and 2002/2003 beginning on **January 1, 2002** and ending on **December 31, 2002**. The study will be administered by the Arizona Department of Transportation and will be conducted by the University of Arizona Office of Economic Development, which operates SWBTP and maintains its offices at the University of Arizona Science and Technology Park in Tucson. The Nogales CyberPort Project will be conducted in direct partnership with the Arizona Department of Transportation, the National Law Center for Inter-American Free Trade and A. Epstein and Sons International, Inc.

### **Statement of Need**

#### ***Managing Safe and Secure Borders***

As the United States responds to the global threat to homeland security, the principles of safety and security will lead the approach to new border management. New and improved practices and procedures at U.S. border ports-of-entry will aim to incorporate the latest and most effective inspection and detection methods that technology can provide. Also of great importance will be the application of the most efficient and effective safety inspection procedures for all modes of commercial transport that cross the United States border.

#### ***Increasing Trade Pressures***

Since the ratification of the North American Free Trade Agreement (NAFTA) in 1994, both truck traffic and the value of commodities crossing the U.S.-Mexico border has approximately doubled. This increase in cross-border trade has placed significant pressure on state and federal agencies to inspect and process increasingly greater volumes of commercial traffic without compromising the effectiveness of inspection procedures. The integration and utilization of new technology among all agencies will help maintain high levels of integrity of border management procedures.

Arizona border ports-of-entry face immediate pressure to enhance procedures and expand physical resources at a rate commensurate with increased trade flows. These facilities frequently experience delays in the processing of commercial traffic and a queuing of trucks at border crossings, which impedes trade and increases the cost of doing business. This problem is especially acute at the Nogales border port-of-entry.

### *Decreasing Trade Share*

The Nogales port-of-entry, which accounted for 74 percent of Arizona's total commercial traffic in 2000, has lost market share in terms of the number of truck crossings, falling from a rank of 4<sup>th</sup> to 6<sup>th</sup> among U.S.-Mexico border ports-of-entry. The number of truck crossings through Arizona border ports-of-entry has remained stable since 1998 at approximately 347,000 per year.

While truck traffic has increased along the entire U.S.-Mexico border, stagnation at the Nogales port-of-entry has resulted in a decrease in Arizona's relative share of U.S.-Mexico truck traffic from 10.5 percent in 1994 to 7.6 percent in 2000. This decrease in trade share is accounted for by a diverse and complex set of factors. However, unless properly addressed, procedural inefficiencies and inconsistent operations among Arizona's border ports-of-entry will continue to be a contributing factor to this trend.

### *Limitations and Constraints*

Commercial traffic congestion at the U.S.-Mexico border is primarily caused by high volumes of vehicles at port-of-entry facilities. Inspection and processing procedures at these facilities are subject to physical and technological limitations as well as procedures requiring a high use of human resources. Two specific factors contributing to border congestion are the limited use of automated management information systems for processing commercial traffic and limited coordination among inspection and law enforcement agencies.

### **Project Goal**

The goal of the Nogales CyberPort Project is to develop the conceptual framework for a physical, technological, process and legal redesign of the Mariposa port-of-entry that optimizes the security, efficiency, effectiveness, and competitiveness of the port facility and the region. The presence of such a facility would provide for safer, more secure communities and contribute to improved economic health for the state and region.

### **Project Objectives**

The Nogales CyberPort Project will employ a binational perspective through the involvement of key Mexican stakeholders and provide all research and planning efforts necessary to move forward with the development of a Nogales CyberPort. The objectives of the project are the following:

1. Convene an "expert roundtable" of industry specialists to define the elements of a CyberPort and to inform the development of the preliminary model.
2. Identify border technologies and processing procedures among major U.S. and international ports-of-entry that specifically respond to the needs of the CyberPort concept.
3. Conduct a complete logistical analysis of the Arizona-Sonora trade process, including a specific examination of agriculture and maquiladora trade flows through the Nogales Mariposa port facility.

4. Identify the specific programmatic functions for what constitutes the ideal CyberPort for Nogales and consider trade-processing procedures that may be performed by private industry.
5. Conduct an analysis of the binational legal impediments/requirements to implementation of the CyberPort concept in Nogales and identify specific legal actions/legislation that would be required on each side of the border to accomplish the vision of CyberPort. Identify the legal impediments/requirements relating to the privatization of port functions.
6. Assess the Mariposa facility at the Nogales port-of-entry within relative to its ability to achieve the performance standards as established in the CyberPort model. Conceptually redesign the Mariposa facility at the Nogales port-of-entry to achieve the objectives of the CyberPort model. Identify “technology gaps”, ie, those CyberPort concepts that cannot be implemented with existing technologies.
7. Evaluate various alternatives for the development of a CyberPort in Arizona.

### **Scope of Work**

The project has six principal components that will be executed over a 12-month period. Each component will inform the others.

0. Review and approval of project scope of work by Project Steering Committee.
1. Expert Roundtable – CyberPort Conceptualization 1 to 2 Months
2. Border Technology and Trade Process Identification 4 Months  
Technical Report #1
3. Trade Flow and Logistics Studies 5 Months – Technical Report #2
4. Report on the Legal Parameters 5 Months - Technical Report #3  
8 Months – Final Report
5. Nogales CyberPort Concept Study 2 Months – Conceptual Framework  
7 Months – Draft Report  
10 Months – Final Report
6. Mariposa Facility CyberPort Assessment & Conceptual Redesign 10 Months – Final Report
7. Comprehensive Final Report 12 Months



## **Border Technology and Trade Process Identification**

### Description

The Border Technology and Trade Process Identification will identify various technologies and trade processes currently in use among major U.S. commercial border ports-of-entry that may be applicable to the CyberPort concept. It will look at procedures such as information sharing, database management and information processing as well as inspection and detection methods such as drug screening, cargo x-rays and weigh-in-motion. Likewise, it will identify “technology gaps”, i.e. those CyberPort functions that cannot be met by currently available technologies and which will need to be developed to meet the needs of a binational CyberPort.

The purpose of this study component is to identify the leading technologies and best practices currently in use and to determine their appropriateness and applicability to the Nogales CyberPort and to identify those areas where new technology will need to be developed. It is a comprehensive approach that will assess the current “state of the industry.” This study component will establish the most recent baseline from which to evaluate future alternatives.

### Project Tasks

Identify select U.S. border ports-of-entry that process significant amounts of commercial traffic.

Conduct telephone and Internet research providing the context for these ports-of-entry. Identify major types of trade that are processed. Isolate trade scenarios that are similar to that experienced at the Arizona-Mexico border.

Identify progressive systems used for processing and inspecting trade, as well as the detection of contraband, that are applicable to the CyberPort model.

Identify progressive systems used for processing and sharing information that are applicable to the CyberPort model.

Identify progressive interagency, intra-agency and binational models of collaboration and cooperation.

Identify priority technologies appropriate for test-use at the Nogales port-of-entry.

Identify Technology Gaps that will need to be addressed in order to achieve the CyberPort objectives.

Present findings to the Technical Advisory Committee.

## Trade Flow and Logistics Studies

### Description

This component consists of two interrelated studies, a trade flow study and a logistics study. The Logistics Study will be conducted by *A. Epstein and Sons International, Inc.* The Trade Flow Study will be conducted by the University of Arizona Office of Economic Development.

The Logistics Study will examine the process through which trade travels--from point of origin in Mexico, through the Nogales, Arizona border port-of-entry, and distributed to a final U.S. destination. The study will assess two distinct types of trade shipments, agriculture and maquiladora manufacturing. The study will look at the unique needs of these two trade sectors in terms of physical transport requirements, agency inspection needs and information processing.

This component will incorporate a review of the literature regarding U.S.-Mexico trade processes as well as a current, first-hand assessment of the situation as it exists today for these two unique industries. The study will identify the physical location where border crossing activities take place and prepare recommendations for changes that can lead to more efficient trade processing at these locations.

These studies will identify the variety of needs to be met for the agriculture, manufacturing and transportation and distribution industries as well as governmental agencies and customs brokers. This assessment of the trade process will identify the broad range of needs that a CyberPort should meet and will inform the conceptual development of a CyberPort for Nogales.

The Trade Flow Study will identify the U.S. and Mexican states of origin and destination for different industry sectors for trade through the Arizona-Sonora land border. It will also identify the percentage of trade by industry sector for each Arizona commercial border port-of-entry. The study will specifically examine trade flows through Nogales, Arizona.

### Project Tasks

#### *Logistics Study*

Examine the binational logistical trade flow process for two specific products (agriculture and maquiladora manufacturing) processed through the Nogales border port-of-entry.

The study will identify the following:

- All governmental agencies involved in the process.

- The type and form of information that is required for shipment and where (physically) it is required.
- The physical action that is required to inspect, process and transport the product, truck, trailer, and driver from the point of origin to the point of destination.
- A logistical analysis of the entire process (to include truck and rail transport of commerce and hazardous materials).

#### *Trade Flow Study*

Identify trade flows by industry sector for each Arizona commercial border port-of-entry.

Identify the trade sectors that comprise the greatest share of trade through the Arizona-Mexico border and where this movement occurs.

Identify the states of origin and destination for Arizona-Mexico trade and the percentage of trade by industry sector for each state.

Develop recommendations for increased logistical efficiency consistent with the CyberPort model. Present a conceptual redesign of the trade flow process at the Nogales Mariposa Port Facility.

Present findings and recommendations to the Technical Advisory Committee.

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**A. Epstein & Sons International's** team for the Trade Flow Logistics Study will be led by:

#### **John J. Talbot**

Executive Vice President, Professional Civil Engineer - AZ, FL, GA, ID, IL, MD, NE, NV, OH, OK, OR, TN, WA, Registered Attorney – IL. has been responsible for the planning design and development of industrial parks, municipal projects, warehouses, distribution centers, and manufacturing plants. Actively participates in the development of strategic solutions for clients in manufacturing, food processing, distribution, and transportation industries.

#### **Robert H. Ruuhela**

Senior Vice President - Operations Engineering with over 33 years of experience in logistics, materials handling and in the development of supporting computer systems. His experience includes a wide range of industry segments, including retail grocery distribution, food processing, food service, pharmaceutical and consumer products. His expertise includes logistics, network analysis, facilities sizing and operations design.

## **Report on the Legal Parameters Concerning a Nogales CyberPort**

### **Description**

The Report on the legal parameters that underlie the CyberPort concept will include an analysis of the following issues: a) the CyberPort as an international point of entry and the interconnection between national and international law; b) legal implications of an automated customs process and uniform documentation; c) interagency relationships; d) intra-agency relationships; and e) the privatization of select port functions. The report will identify and examine the legal impediments directly concerning the implementation of a CyberPort (such as the sharing of information and agency responsibilities). A draft report of the completed research and analysis in all five areas will be produced on May 30, 2002. A final report of the completed research and analysis in all five areas will be produced on August 31, 2002.

### **Project Tasks**

a) *The CyberPort as an International Point of Entry and the Interconnection Between National and International*

The primary purpose of any port of entry is to properly enforce laws, regulations and administrative rulings of a country, while keeping in mind the international nature of the movement of goods and people and the need to comply with bilateral and multilateral trade agreements. The purpose of an efficient legal framework for an entry port should be the enforcement of laws and regulations in a consistent, predictable and regular fashion. The Report will highlight the main features, differences and similarities of existing laws and regulations in Mexico and the United States, as well as the impact of the North American Free Trade Agreement (NAFTA) on port operations and harmonization. It will also propose recommendations on how to further streamline the underlying legal system and harmonization efforts.

b) *Legal Implications of an Automated Customs Process and Uniform Documentation*

Limited use of automated management information systems has been one of the factors that has contributed to border congestion. When implementing automated customs procedures, legal considerations need to be kept in mind. These include: a) the analysis of existing legal infrastructure in both countries enabling the operation of such systems and the validity of electronic information; b) efforts to harmonize the format of documents to be submitted electronically (e.g., bills of lading); and c) coordination of procedures followed by the relevant agencies in each country.

c) *Interagency Relationships*

Coordination among law enforcement agencies is of the essence. Legislation dealing with border issues generally reflects the basic concept that agencies must work together in order to enforce laws effectively. The Report will analyze the scope of existing interagency agreements between the U.S. and Mexico, as well as the need to encourage and coordinate additional cooperative efforts and further facilitate the exchange of information.

d) *Intra-agency Relationships*

The Report will identify the individual needs and features of key agencies involved in the entry process, as determined by existing laws, regulations and administrative rules. Proper training and education of personnel is one of the essential requirements; the structure of each agency, as well as the nature, powers, functions and duties of the relevant hierarchies are also important because participants in the process rely on these authorities to make decisions regarding policies and procedures. It is, therefore, important to be aware of the nature of the laws and regulations applicable to and being enforced (or perhaps, in some cases, not being enforced) by the personnel at the port of entry.

e) *Privatization of Select Port Functions*

The Report will identify the legal implications of select port functions being performed by private industry. If the presence of private industry at an Arizona-Mexico border port-of-entry is not currently permitted within the existing framework of existing laws and regulations, the Report will identify what legal changes would be necessary to permit such activity. The Report will also present recommendations as to the relative difficulty in achieving the respective legal or regulatory changes, if necessary.

The National Law Center for Inter-American Free Trade's project team will include the following:

- 1) Dr. Boris Kozolchyk, President and Executive Director of the Center and Professor of Law at the James E. Rogers College of Law at the University of Arizona;
- 2) Professor David Gantz, Associate Director of the Center, Professor of Law at the James E. Rogers College of Law, and a recognized expert on customs and cross-border transportation issues pertaining to the agricultural and manufacturing sectors;
- 3) Dra. Mariana Silveira, Research Director of the Center and coordinator of the Center's projects with U.S. Customs;
- 4) Alejandro Olea, Research Attorney at the Center, Mexican attorney, and expert on cross-border transportation and customs issues;
- 5) Ken Hoffman, U.S. transportation lawyer, Center consultant, and President of the American Transportation Lawyers' Association; and
- 6) Kevin J. O'Shea, Deputy Director of the Center and contract manager for Center cross-border projects involving U.S. Customs, U.S. State Department and U.S. Department of Transportation.

## **Nogales CyberPort Concept Study**

### Description

The Nogales CyberPort Concept Study will be a collaborative effort on behalf of bi-national state and federal agencies as well as private industry to more specifically define what constitutes a CyberPort for Nogales, Arizona. The concept study will present an ideal scenario designed to best meet the needs of public agencies and private industry engaged in the commercial trading process through the Nogales border port-of-entry. It will pay particular attention to addressing the needs of the agriculture and maquiladora manufacturing industries, which represent a significant share of U.S.-Mexico trade through Arizona. The CyberPort concept model will then be examined relative to the existing Nogales border port-of-entry and its ability to upgrade and adapt to the new model.

The purpose of the CyberPort concept study is to re-envision the structure and organization of a border port-of-entry and to identify the functions that a Nogales CyberPort should serve. The concept development process is designed to think outside of the box in an effort to identify creative and innovative approaches to processing trade through Arizona. Further study will be required to develop specific physical design solutions examining *how* Arizona can best go about serving those functions.

A specific component to the concept study will be to identify and consider the functions of a border port-of-entry that can be performed by private industry. Privatization of certain port functions may encourage private sector investment in the development and implementation of the CyberPort concept. The concept study will also consider how interagency collaboration can be integrated to streamline border management procedures.

The Concept Study will be executed in three phases. The first phase will occur at the outset of the project and will establish the conceptual framework within which the CyberPort model will respond. This will involve the gathering of industry experts and agency officials to identify the most important needs and functions of a new land-based port-of-entry in Arizona.

The second phase will be completed in approximately seven months (July 2002) and will more specifically identify the proposed multi-agency participation processes and programmatic model of a CyberPort. The preliminary report will be presented in the form of a technical memorandum and will be vetted to the Technical Advisory Committee for recommendations and approval.

The third phase will be completed in 12 months and will present a final detailed and comprehensive model of a Nogales CyberPort.

## Project Tasks

### *Consultation*

Convene an *Expert Roundtable* to identify the needs and functions of a CyberPort. Also employ industry consultants to assist development of the CyberPort model.

Convene Technical Advisory Committee three times during the project's duration (estimated in: February 2001, August 2002 and November 2002).

Convene monthly meetings of the Steering Committee to evaluate progress.

### *Research and Assessments*

Conduct site visits to Arizona border ports-of-entry to assess and evaluate the processes, resources and technologies currently in place.

Conduct visits to the Santa Teresa Border Technology Deployment Center located at the Physical Science Laboratories at New Mexico State University in Las Cruces, NM and the Border Research and Technology Center in San Diego, CA.

Identify other efforts to establish a CyberPort concept both nationally and internationally. Synthesize work that has been done at other border ports-of-entry.

### *Concept Development*

The conceptual model of a Nogales CyberPort will be informed by the following:

- Recommendations from the Technical Advisory Committee
- Expert industry consultation
- Binational stakeholder and agency feedback
- *The Border Technology and Trade Process Identification*
- *The Trade Flow and Logistics Studies*
- *The Report on the Legal Parameters Concerning a Nogales CyberPort*
- An evaluation and synthesis of other integrated port concepts.

Present draft CyberPort concept to Technical Advisory Committee for review and evaluation in July 2002.

Respond to draft concept evaluation and address comments provided by Technical Advisory Committee.

Prepare a draft final report fully defining the CyberPort concept in October 2002. Submit to Steering Committee and Governor's Canamex Task Force for review.

Present final report to the Technical Advisory Committee and Governor's Canamex Task Force as well as other state and federal border-management agencies.

Seek approval by the Governor's Canamex Task Force in December 2002.



## **Mariposa Facility CyberPort Assessment**

### Description

The Mariposa Facility CyberPort Assessment will examine the ability of the Nogales commercial border port-of-entry to meet the standards of a Nogales CyberPort as identified in the *Nogales CyberPort Concept Study*. An inventory and analysis of the facility will be conducted to evaluate the potential to upgrade, replace and/or expand as needed to serve in the capacity of a CyberPort.

Characteristics to be examined will include inspection and detection methods, information processing procedures, the condition of physical infrastructure, the current status of agency port responsibilities, interagency collaboration/integration and site restrictions. The assessment will identify the areas in which the Mariposa facility must improve in order to operate as Arizona's CyberPort. It will also identify the physical requirements necessary to accommodate a CyberPort and present Arizona with definitive options for moving forward to implement the concept.

The assessment will also consider the ability of existing transportation infrastructure to accommodate current and projected trade flows. The need for and feasibility of additional transportation corridors and interconnectors will be examined in their ability to increase the efficiency and capacity of trade through the port and to improve traffic safety conditions.

Appropriate technologies identified in the *Border Technology and Trade Process Identification* will be highlighted for testing and possible implementation at the Nogales Mariposa Facility.

### Project Tasks

Conduct site visits, as required, to the Mariposa facility to conduct an inventory of physical resources and site infrastructure as well as conduct on-site interviews with key individuals.

The consultant team will develop a conceptual redesign of the Mariposa Port of Entry that achieves the objectives of the CyberPort Model. The report will determine which improvements, if any, cannot be made given the context of the facility and provide suggestions as to possible alternatives for achieving CyberPort status.

Present findings to the Technical Advisory Committee and Governor's Canamex Task Force.

**Nogales CyberPort Project  
Project Team**

**The University of Arizona**

Bruce A. Wright, Principal Investigator  
Associate Vice President for Economic Development  
Director, Office of Economic Development

Scott G. Davis, Co-Investigator  
Project Manager  
Office of Economic Development

Vera Pavlakovich-Kochi  
Program Director, Regional Development Program  
Office of Economic Development

Marisa Paula Walker  
Senior Program Coordinator, Arizona-Sonora Project  
Office of Economic Development

John Sonnet  
Research Specialist  
Office of Economic Development

Research Specialist, To be determined

Research Specialist, To be determined

**Arizona Department of Transportation**

Dale Buskirk, Deputy Division Director  
Transportation Planning Division

Project Manager, To be determined

**National Law Center for Inter-American Free Trade**

Boris Kozolchyk, President and Executive Director

David Gantz, Associate Director

Kevin O'Shea, Deputy Director

Mariana Silveira, Research Director

Alejandro Olea, Research Attorney

Ken Hoffman, Consultant, Transportation Lawyer

**Arizona State University**

Gail Howard, Director, Office of Economic Development and Constituent Services

Lora Villasenor, Research Assistant, Office of Economic Development and Constituent Services

**New Mexico State University, Physical Science Laboratory**

Mike Noonchester, Director, Santa Teresa Border Technology Deployment Center

Myles Culbertson, Program Manager, Santa Teresa Border Technology Deployment Center

**A. Epstein and Sons International, Inc.**

Robert H. Ruuhela, Senior Vice President, Operations Engineering Division

John J. Talbot, Executive Vice President

**Consultants**

Richard Salvatierra (dba Triton Consulting, LLC), Southwest Border Technology Program

Andrew Gembara, G&H International LLC

Robert Greenberg, G&H International LLC

Roger Hoopengardner, Science Applications Technology International Corp. (SAIC)

Mike Smith, Science Applications Technology International Corp. (SAIC)

## Nogales CyberPort Project Timeline

	2002											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>CONVENE TECHNICAL ADVISORY COUNCIL &amp; STEERING COM.</b>												
Approval of project scope of work												
Convene Industry Expert Roundtable												
Review and comment on draft Concept Study												
Review of Final Comprehensive Report												
<b>BORDER TECHNOLOGY &amp; TRADE PROCESS IDENTIFICATION</b>												
Conduct research and literature review												
Complete Technical Report #1												
<b>TRADE FLOW AND LOGISTICS STUDIES</b>												
Trade Flow data collection and analysis												
Logistics Analysis												
Complete Technical Report #2												
<b>LEGAL PARAMETERS STUDY</b>												
Research and analysis												
Issue draft report												
Complete Technical Report #3												
<b>NOGALES CYBERPORT CONCEPT STUDY</b>												
Establish conceptual framework												
Conduct literature review												
Industry and agency interviews/consultation												
Issue draft report												
Respond to industry, agency and committee feedback												
Complete final concept study												
<b>NOGALES MARIPOSA FACILITY CYBERPORT ASSESSMENT</b>												
Conduct facility assessment and concept evaluation												
Complete final assessment												
<b>COMPREHENSIVE STUDY REPORT</b>												
Synthesize and integrate all study components												
Issue comprehensive final project report												

## Nogales CyberPort Project Budget - Exhibit B

Project Timeline -- 12 Months

### LABOR:

Salary	Salary	FTE	12 Months
Project Manager, Scott Davis	52,000	100%	52,000
Research Specialist, (tbd)	28,000	100%	28,000
Research Specialist, (tbd)	28,000	100%	28,000
Support Systems Analyst, Senior, (tbd)	45,000	30%	13,500
Administrative Assistant, (tbd)	24,000	100%	24,000
Total Salary			145,500

**Fringe Benefits (Employee Related Expenses) =** 20.1% 29,246

#### Consultant Services

General Consultant Services	200 hours @ \$100/hour	20,000
Science Applications Technology Corp. (SAIC) -- 50 Hours		7,500

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**TOTAL LABOR** **202,246**

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### OTHER DIRECT COSTS:

#### Industry Expert Roundtable

Travel and Honoraria per person	3500	
Roundtable meeting for 6 experts	21000	21,000

#### Committee Meetings:

Technical Advisory Council	\$600/meeting @ 3 meetings	1800
Steering Committee	\$200/meeting @ 6 meetings	1200
Public Stakeholder Meeting	\$600/meeting @ 1 meeting	600
Mexican Agency Meeting	\$600/meeting @ 1 meeting	600

**Total for Meetings** **25,200**

#### Travel:

Visits to Arizona Border Ports-of-Entry

##### Arizona

Per Diem:

Lodging 55.00

Meals 29.50

Total 84.50

Rental Car / Gas 60.00

Site	# of persons	# of days	
Douglas	2	2	458
Nogales	2	8	952
San Luis	2	4	916
Total			2326

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**Research Center & Lab Visits****Santa Teresa Border Technology Deployment Center -- Las Cruces, NM****Per Diem:**

Lodging	65.00
Meals	34.00
Total	99.00

Rental Car / Gas	60.00
Airfare	115.00

Site	# of persons	# of days	
Las Cruces, NM	2	1	488

**Border Research and Technology Center -- San Diego, CA**

Lodging	99.00
Meals	40.00
Total	139.00

Rental Car / Gas	60.00
Airfare	147.00

Site	# of persons	# of days	
San Diego, CA	2	1	632

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**Field Research - Sonora/Arizona****Hermosillo / Nogales****Per Diem:**

Lodging	115.00
Meals	59.00
Total	174.00

Rental Car / Gas	60.00
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Product	# of persons	# of days	
Agriculture	2	2	816
Maquila Manufacturing	2	2	816

**Nogales/Tucson****Per Diem:**

Lodging	55.00
Meals	29.50
Total	84.50

Rental Car / Gas	60.00
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Product	# of persons	# of days	
Agriculture	2	2	458
Maquila Manufacturing	2	2	458

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Contingency Travel	9500
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<b>Total Travel</b>	<b>15,494</b>
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**Administration\*:**

office space	450 sq.ft @ \$1 25/ sq.ft	@ 12 months	6,750
postage	\$100/mo.	@ 12 months	1,200
printing (1 printer @ \$550) +	\$500/mo.	@ 12 months	6,550
telephone / fax (long distance)	\$600/mo.	@ 12 months	7,200
supplies	\$120/mo.	@ 12 months	1,440
equipment			
Laptop Computer	1 @ \$2,200	2200	
Computers	3 @ \$1,500	4500	
Exhibit/Display Materials	1 @ \$2,000	2000	
Total Equipment		8700	8,700

(\* All administrative and equipment costs necessary due to low negotiated overhead cost recapture)

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<b>Total Administration</b>	<b>31,840</b>
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<b>Data Collection</b>	<b>15,000</b>
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**Subcontract/Consultant - National Law Center for Inter-American Free Trade**

Report on the Legal Parameters Concerning an Arizona SuperPort

Personnel	42500	
Fringe Benefits	4250	
Travel	1500	
Consultant	15000	
Other Direct Charges	1790	
Total Direct Charges	65040	
Administrative Overhead (23%)	14960	
<b>Total</b>	<b>80000</b>	<b>80,000</b>

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**Subcontract/Consultant - A. Epstein and Sons, Inc.**

Logistics Analysis

Personnel and Administration	41000	
Fringe Benefits	4000	
Travel / Field Research	5000	
Total Direct Charges	50000	
<b>Total</b>	<b>50000</b>	<b>50,000</b>

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**Report Production and Dissemination:**

Final Comprehensive Report (Quantity 500)		
Layout/Design	3,500	
Powerpoint	1,000	
Printing	2,500	
Distribution	1,000	
Document Translation	4,000	
Total for Final Report	12,000	12,000

Total for Four Technical Memoranda	10,000	10,000
(at \$2,500 per report)		
<i>Trade Flow &amp; Logistics Studies</i>		
<i>Technology &amp; Trade Process Identification</i>		
<i>CyberPort Concept Study</i>		
<i>Nogales CyberPort Assessment</i>		

<b>Total for Report Production:</b>	<b>22,000</b>
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#### **PROJECT OUTREACH**

<b>Total for Project Outreach and Dissemination:</b>	<b>14,742</b>
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<b>TOTAL OTHER DIRECT COSTS</b>	<b>254,276</b>
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Project Total

Labor	202,246
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Other Direct Costs	254,276
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<b>TOTAL DIRECT COSTS</b>	<b>456,522</b>
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<b>INDIRECT COSTS/OVERHEAD (15%)</b>	<b>68,478</b>
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Standard UA Overhead Charge	51.5%
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Negotiated UAOED Overhead Charge	15.0%
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<b>PROJECT TOTAL</b>	<b>525,000</b>
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#### **Budget Summary**

	<b>Project Total</b>
Labor	202,246
Committee Meetings	25,200
Travel	15,494
Administration	31,840
Data Collection	15,000
Subcontract/Consultant (National Law Center)	80,000
Subcontract/Consultant (A. Epstein & Sons)	50,000
Report Production	22,000
Project Outreach and Dissemination	14,742
Indirect Costs/Overhead	68,478
<b>Total</b>	<b>525,000</b>



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**University of Arizona In-Kind Match**Office of Economic Development (UAOED)Staff contributions at 10% FTE x 12 Months (+ERE @ 20.1%)

Bruce A. Wright, Director (Principal Investigator)

Vera Pavlakovich-Kochi, Program Director

Marisa Paula Walker, Senior Program Coordinator

Sue Redlaczky, Executive Assistant

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Total UAOED Staff Contribution 27,635Office of the Vice President for Research

Difference in UA Standard vs. UAOED Negotiated Indirect Cost/Overhead Rate

UA Standard Rate 51.5% 189,428

Direct Costs 456,522

Less Equipment 8,700

Less Subcontracts &gt;\$25K 80,000

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Modified Direct Cost 367,822

Indirect Cost/Overhead 189,428

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UAOED Negotiated Rate 15.0% 68,478

Difference 120,950 120,950

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Total Match 148,585

Total Match in Percent 28%